

90th Legislative Session – 2015

Committee: House Commerce and Energy

Wednesday, January 28, 2015

P - Present
E - Excused
A - Absent

Roll Call

P Beal
P Deutsch
P Harrison
P Hawley
P Kirschman
P Novstrup (Al)
P Stalzer
P Wiik
P Willadsen
P Wollmann
P Zikmund
P Schoenbeck, Vice-Chair
P Rounds, Chair

OTHERS PRESENT: See Original Minutes

The meeting was called to order by Representative Tim Rounds, Chair.

MOTION: TO APPROVE THE MINUTES OF JANUARY 23, 2015

Moved by: Willadsen
Second by: Beal
Action: Prevailed by voice vote.

MOTION: TO INTRODUCE AT THE REQUEST OF THE GOVERNOR THE FOLLOWING
BILL: AN ACT TO REPEAL CERTAIN OUTDATED AND OBSOLETE
PROVISIONS RELATED TO TRADE REGULATION OF PETROLEUM
PRODUCTS.

Moved by: Schoenbeck

Second by: Willadsen
Action: Prevailed by roll call vote. (0-0-0-0)

Voting Yes: Beal, Deutsch, Harrison, Hawley, Kirschman, Novstrup (Al), Stalzer, Wiik, Willadsen, Wollmann, Zikmund, Schoenbeck, Rounds

HB 1052: revise certain provisions regarding the regulation of insurance holding companies.

Presented by: Larry Deiter, Department of Labor and Regulations
Proponents: Dick Tieszen, State Farm Insurance
Justin Smith, American Council of Life Insurers

MOTION: AMEND HB 1052

1052ra

On page 8, line 18, of the printed bill, delete "is responsible for and".

Moved by: Schoenbeck
Second by: Willadsen
Action: Withdrawn.

MOTION: AMEND HB 1052

1052fa

On page 14, line 15, of the printed bill, after "modification" delete "or" and insert "of".

Moved by: Schoenbeck
Second by: Wiik
Action: Prevailed by voice vote.

MOTION: AMEND HB 1052

1052rc

On page 13, line 10 of the printed bill, delete "and".

On page 13, line 15, delete "." and insert "; and".

On page 13, between lines 15 and 16, insert:

"

- (3) May receive documents, materials, or information, including otherwise confidential and privileged documents, materials, or information from the NAIC and its affiliates and subsidiaries and from regulatory and law enforcement officials of other foreign or domestic jurisdictions, and shall maintain as confidential or privileged any document, material, or information received with notice or the understanding that it is confidential or privileged under the laws of the jurisdiction that is the source of the document, material, or information."

On page 13, line 17, before "." insert ", and the director is solely responsible for the administration, execution, and enforcement of the provisions of this chapter".

On page 20, line 23, after "subpoena," insert "open records laws,".

On page 21, delete lines 10 to 21, inclusive, and insert:

" 58-5A-41. ~~All information, documents, and copies thereof obtained by or disclosed to the director or any other person in the course of an examination or investigation made pursuant to this chapter shall be given confidential treatment and shall not be subject to subpoena and shall not be made public by the director or any other person, except to insurance departments of other states, without the prior written consent of the insurer to which it pertains unless the director, after giving the insurer and its affiliates who would be affected thereby, notice and opportunity to be heard, determines that the interests of policyholders, shareholders or the public will be served by the publication thereof, in which event he may publish all or any part thereof in such manner as he may deem appropriate.~~ Documents, materials, or other information including filings in the possession or control of the Division of Insurance that are obtained by or disclosed to the director or any other person in the course of an examination or investigation made pursuant to this chapter and all information reported pursuant to this chapter shall be confidential by law and privileged, are not subject to open records, freedom of information, sunshine, or other related laws, are not subject to subpoena, and are not subject to discovery or admissible in evidence in any private civil action. However, the director is authorized to use the documents, materials, or other information in the furtherance of any regulatory or legal action brought as a part of the director's official duties. The director may not otherwise make the documents, materials, or other information public without the prior written consent of the insurer to which it pertains unless the director, after giving the insurer and its affiliates who would be affected thereby notice and opportunity to be heard, determines that the interest of policyholders, shareholders, or the public will be served by the publication thereof, in which event the director may publish all or any part in such manner as may be deemed appropriate.

Section 28. That chapter 58-5A be amended by adding thereto a NEW SECTION to read as follows:

No waiver of any applicable privilege or claim of confidentiality in the documents, materials, or information may occur as a result of disclosure to the director pursuant to this section or as a result of sharing as authorized pursuant to this chapter."

Moved by: Schoenbeck
Second by: Wollmann
Action: Prevailed by voice vote.

MOTION: AMEND HB 1052

1052ra

On page 8, line 18, of the printed bill, delete "is responsible for and".

Moved by: Schoenbeck
Second by: Wollmann
Action: Prevailed by voice vote.

MOTION: DO PASS HB 1052 AS AMENDED

Moved by: Schoenbeck
Second by: Beal
Action: Prevailed by roll call vote. (13-0-0-0)

Voting Yes: Beal, Deutsch, Harrison, Hawley, Kirschman, Novstrup (Al), Stalzer, Wiik, Willadsen, Wollmann, Zikmund, Schoenbeck, Rounds

Gavel was passed to Representative Schoenbeck, Vice Chair

HB 1084: expand collateral eligible to be pledged as security for public deposits.

Presented by: Representative Tim Rounds
Proponents: Curtis Everson, South Dakota Bankers Association
Bret Afdahl, Division of Banking

MOTION: AMEND HB 1084

On page 1, line 12, of the printed bill, overstrike "52-5-20,".

Moved by: Wollmann
Second by: Deutsch
Action: Prevailed by voice vote.

MOTION: DO PASS HB 1084 AS AMENDED

Moved by: Willadsen
Second by: Harrison
Action: Prevailed by roll call vote. (13-0-0-0)

Voting Yes: Beal, Deutsch, Harrison, Hawley, Kirschman, Novstrup (Al), Stalzer, Wiik, Willadsen, Wollmann, Zikmund, Schoenbeck, Rounds

MOTION: PLACE HB 1084 ON CONSENT CALENDAR

Moved by: Kirschman
Second by: Beal
Action: Prevailed by voice vote.

Gavel was passed to Representative Rounds, Chair

HB 1085: revise certain provisions regarding the requirement for performance securities.

Presented by: Representative Herman Otten
Proponents: Yvonne Taylor, SD Municipal League

MOTION: DO PASS HB 1085

Moved by: Stalzer
Second by: Beal
Action: Prevailed by roll call vote. (13-0-0-0)

Voting Yes: Beal, Deutsch, Harrison, Hawley, Kirschman, Novstrup (Al), Stalzer, Wiik, Willadsen, Wollmann, Zikmund, Schoenbeck, Rounds

MOTION: PLACE HB 1085 ON CONSENT CALENDAR

Moved by: Stalzer
Second by: Kirschman
Action: Prevailed by voice vote.

HB 1088: permit procurement of certain disability insurance from a non-admitted insurer.

Presented by: Representative Mark Willadsen
Proponents: Darla Pollman Rogers, NAIFA South Dakota
Barbara Basel, Board of Regents
Larry Deiter, Department of Labor and Regulations

MOTION: DO PASS HB 1088

Moved by: Schoenbeck
Second by: Wiik
Action: Prevailed by roll call vote. (12-0-1-0)

Voting Yes: Beal, Deutsch, Harrison, Hawley, Novstrup (Al), Stalzer, Wiik, Willadsen,
Wollmann, Zikmund, Schoenbeck, Rounds

Excused: Kirschman

MOTION: PLACE HB 1088 ON CONSENT CALENDAR

Moved by: Schoenbeck
Second by: Stalzer
Action: Prevailed by voice vote.

SB 31: revise certain provisions regarding coordination of benefits between health plans.

Presented by: Larry Deiter, Department of Labor and Regulations
Proponents: Randy Moses, Avera Health Plans

MOTION: DO PASS SB 31

Moved by: Wiik
Second by: Wollmann
Action: Prevailed by roll call vote. (12-0-1-0)

Voting Yes: Beal, Deutsch, Harrison, Hawley, Kirschman, Novstrup (Al), Wiik, Willadsen,
Wollmann, Zikmund, Schoenbeck, Rounds

Excused: Stalzer

MOTION: PLACE SB 31 ON CONSENT CALENDAR

Moved by: Willadsen

Second by: Deutsch

Action: Prevailed by voice vote.

Representative Rounds announced to the committee that he would be entertaining a motion in session to move HB1090 to Local Government.

MOTION: ADJOURN

Moved by: Wollmann

Second by: Beal

Action: Prevailed by voice vote.

Pam Kean
Committee Secretary

Tim Rounds, Chair